Manitoba

Annual Report
1984 - 85

Milk Prices Review Commission

MANITOBA MILK PRICES REVIEW COMMISSION
915 - 401 YORK AVENUE
WINNIPEG, MANITOBA
R3C 0P8

TELEPHONE 945-4607
AREA CODE 204

July 31, 1985

The Honourable B. Uruski
Minister of Agriculture
Legislative Building
Winnipeg, Manitoba

Sir:

Pursuant to the requirements of Section 7, subsection (1), "The Milk Prices Review Act" being Chapter 63 of Bill 86 assented to July 29, 1980, we have the honour to transmit to you the Annual Report of The Manitoba Milk Prices Review Commission for the year ended March 31, 1985.

Respectfully submitted,

The Manitoba Milk Prices Review Commission

Chairperson

Manitoba

Minister of Agriculture

Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

July 31, 1985.

To Her Honour,
Pearl McGonigal,
Lieutenant Governor for the
Province of Manitoba.

Your Honour:

I have the honour to present herewith the Annual Report of The Manitoba Milk Prices Review Commission for the year ended March 31, 1985.

Your obedient servant,

Bill Uruski,
Minister of Agriculture.

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MEMBERS OF THE MANITOBA MILK PRICES REVIEW COMMISSION

as at March 31, 1985

Dr. Paul Phillips ..... Chairman

Mr. Ray Matheson ..... Vice-Chairman

Mr. Charlie Moar ..... Member

Mr. Oli Narfason ..... Member

Ms. Marie-Blanche Oliviero ..... Member

Mr. Fernand Paquin ..... Member

Mr. Adrian Strutinsky ..... Executive Secretary

INTRODUCTION

The Milk Prices Review Act assented to by the Legislative Assembly of Manitoba on July 29, 1980, governs the work and activities of the Commission. Responsibilities assigned to the Commission under the legislation include: the development and maintenance of a producer cost of production formula as the basis for fixing the price at all levels in the fluid milk industry; and exercising the authority to establish the maximum and/or minimum prices for milk sold to consumers when the Commission deems such controls necessary.

The Commission has maintained its extensive contact with officials and representatives of the Manitoba Milk Producers' Marketing Board, the Manitoba Milk Producers' Co-op Inc., Manitoba milk processors and independent distributors, the Manitoba Dairy Manufacturers' Association, Manitoba retailers, the Canadian Federation of Independent Grocers and the Consumers' Association of Canada, Manitoba Branch. Wide-ranging contacts were established and maintained with similar authorities and agencies in other jurisdictions. Resulting discussions have enabled the Commission to increase its understanding of the fluid milk industry and to receive valuable advice and suggestions relating to the discharge of its responsibilities. Future contact with these and other industry representatives are viewed as vital by the Commission.

PROCESSOR, DISTRIBUTOR AND RETAILER MATTERS

Late in the previous reporting year, the Commission decided to temporarily roll-back very substantial retail price increases stemming from an

increase in the producer price granted on February 20 1984. The newly-created Manitoba Fluid Milk Commission moved simultaneously to roll-back associated and equally significant wholesale price increases. The effective date of both roll-back actions was March 5, 1984 and took the form of maximum price controls.

Immediately following this, the Commissions also initiated major studies of the cost and revenue structure of the industry past the farm-gate. The price increase imposed by the trade could then be investigated by the Commissions to determine whether its magnitude could be justified.

Examination of the fluid industry at large, and specifically, of the price increases of February, 1984, revealed a number of industry problems. In addition, the price increases in question appeared to be symptomatic of those problems.

Without question, the major contributing factor to the increase was the misuse of rebates or volume discounts, especially those given by larger processors. Rebates had escalated to unprecedented levels as the processors sought to buy business. The traditional value and significance of purchase volumes became obscured as retailers and buying groups added to the problem by attempting to negotiate as low a purchase price as possible; in some cases, playing one supplier off against the other.

As the investigation continued, it was obvious that the practice of rebating had taken a serious toll on the processors' finances and the stability of the entire industry. Furthermore, the substantial price increases of February, 1984, represented an attempt by processors to pass on the cost of rebating ultimately to the consumer, especially those in rural Manitoba and/or those purchasing milk at medium and small-sized stores.

The investigation concluded that direct control was required to curb the rebate system and restore order and stability to the industry. Rebating systems had historically been a part of the Manitoba fluid industry, but, in a controlled manner - controlled that is, by the industry itself. After recognizing that no other immediate solution to high rebates was at hand, the Commission selected direct intervention as the only reasonable solution. The control system was based on a workable schedule of wholesale discounts.

At the retail level, it was found that consumers were not necessarily benefiting from the high wholesale rebates. Except for an occasional price war, typically involving only larger retailers, rebates received from the processors were not always passed on by the retailers. It was felt that if this situation was left unchecked, over time consumers would end up paying for more of the rebates without any direct benefit to themselves. They would thereby be financing processor costs associated with obtaining and maintaining business.

Considerable pressure had also been brought to bear on independent

retailers. Maximum rebates being offered to corporate retailers made it increasingly difficult for independents to compete. Thus healthy competition across the retail trade was not being maintained.

On June 11, 1984, a complete milk price control system was implemented and included the setting of minimum and maximum retail prices in the province. The system was comprised of five designated areas (Winnipeg, Selkirk, Brandon, Winkler and Dauphin) in which fluid milk processing plants were located. The designated areas were established to provide base-line or basic pricing. Incremental transportation zones were created to allow for the determination of prices outside the designated areas. Correspondingly, the Manitoba Fluid Milk Commission established minimum and maximum wholesale price controls for both processors and independent distributors or jobbers in the designated areas and rural zones. (For more information and details of the price system, refer to Manitoba Regulation 126/84, a copy of which is included in the final section of this report. Please note that 126/84 was filed by the Fluid Milk Commission.)

Shortly after the implementation of the milk price control system, it became apparent that some sectors of the fluid industry were expe-riencing legitimate operating difficulties. Insufficient margins for many smaller retailers and all independent distributors, plus market share losses by the small processors, led to a "fine tuning" of the initial pricing structure, effective July 23, 1984.

The new regulations provided retail stores with improved margins

without major increases in retail prices to consumers. The corresponding Fluid Milk Commission regulation changes provided more flexibility in the wholesale sector, the opportunity for more competition between processors and improved distributor margins. (For more detail on retail price changes, refer to Manitoba Regulation 168/84 included in the last section of this report.)

PRODUCER MATTERS

The final major price change effected by the Commission during the fiscal year 1984-85 was initiated at the producer level. On February 4, 1985, the fluid milk price paid to Manitoba producers was increased to $53/hectolitre from the former $51/hectolitre level. The new price represented an increase of 3.9 percent in the price paid producers.

This producer price increase was the first change generated by the new cost of production formula being used by the Commission. The revised formula had been used for the first time in a pricing decision by the Commission in February, 1984, when the $51/hectolitre price level was established.

By indicating the price change, the formula provided evidence that it was more responsive to producer input cost changes than its predecessor. The formula very accurately monitored input cost changes over time, as the 3.9 percent increase was very consistent with the values of general inflationary indicators. More specifically, feed costs had risen 11.5 percent since the last price was set, while six of the

formula's ten other components registered increases of between one and six percent. (For details, refer to Manitoba Regulation 45/85, a corrected version of Manitoba Regulation 33/85, included in the last section of this report.)

A corresponding two cents/litre increase in the retail or consumer price also came into effect on February 4, 1985. This was to accommodate the increased cost of raw milk to processors. (For details of retail price increases, refer to Manitoba Regulation 34/85, included in the last section of this report.)

FUTURE ACTIVITIES

At the time of the February 1985 pricing announcement, the Commission also gave notice that a review process, to be completed by mid-1985, would be conducted to analyze the effects of the recent milk price controls on processor, distributor and retailer operations and margins. If justified by the trade, further price adjustments would be considered upon completion of the review process.

If one could sum up the Commission's goals using only one word, that word would be "stability" - a notion not unfamiliar in the area of regulated commodities. In all deliberations, the Commission has emphasized the notion of fair play - that is, ensuring that milk prices reflect legitimate costs plus a fair rate of return. The Commission remains convinced that if fairness is exercised in all dealings with the

fluid industry, then the Commission's chances of fulfilling its mandate will be greatly enhanced. That legislated mandate includes the maintenance of a steady supply of fluid milk to the consuming public at reasonable prices for all concerned.

INTERNAL MATTERS

The Manitoba Milk Prices Review Commission met sixteen times during the reporting year. The Manitoba Fluid Milk Commission, established by Manitoba Regulation 35/84 on March 1, 1984, met twelve times.

The Commission's daily activities were performed by Adrian W. Strutinsky, serving as Executive Secretary on full-time loan from the Economic Analysis Branch, Manitoba Agriculture, and Jessie R. Mamaril, Secretary-Bookkeeper.

At the end of the reporting year, Henry B. Monk, Q.C., remained as Commission counsel while the firm of Murray McClarty and Company had been retained as external auditors and financial analysts. Internal audits on Commission finances were performed by the Provincial Auditor's office.

CHANGES IN COMMISSION MEMBERSHIP

Effective May 2, 1984, Charlie Moar of Leaf Rapids was appointed as a Commission member replacing Esau Turner of Grand Rapids.

Effective September 1, 1984, Dr. Paul Phillips of Oakbank was appointed member and chairman of the Commission. Fernand Paquin of Winnipeg, was appointed to the Commission as member on the same date.

Effective January 1, 1985, Ray Matheson, a Commission member from Winnipeg, was elevated to the position of vice-chairman, replacing Wendy Land.

Manitoba

Office of the Provincial Auditor

THE MANITOBA MILK PRICES REVIEW COMMISSION

Auditor's Report and Financial Statements
for the year ended March 31, 1985

Manitoba

THE MANITOBA MILK PRICES REVIEW COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Manitoba Milk Prices Review Commission for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

October 1, 1985,
Winnipeg, Manitoba.

EXHIBIT A

THE MANITOBA MILK PRICES REVIEW COMMISSION

Balance Sheet
as at March 31, 1985
(with 1984 figures for comparison)

	1985	1984
ASSETS		
Current Assets:		
Cash	$ 5,820	$ 6,370
Accountable advances	-	1,000
Prepaid expenses	-	1,214
	$ 5,820	$ 8,584
LIABILITIES AND SURPLUS		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 2,304	$ 2,705
Surplus, Exhibit B	3,516	5,879
	$ 5,820	$ 8,584

EXHIBIT B

THE MANITOBA MILK PRICES REVIEW COMMISSION

Statement of Income and Expenditure and Surplus
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Income:		
Grant from the Province of Manitoba	$ 45,174	$ 45,349
Interest Income	257	371
Miscellaneous income	292	-
	45,723	45,720
Expenditure:		
Annual report	$ 231	$ 341
Commission - salaries and benefits	10,064	13,114
- travel and meetings	6,904	4,274
Office and postage	1,886	719
Professional fees	5,000	4,214
Salaries and benefits (Note 3)	21,467	23,293
Sundry	748	1,080
Telephone	1,786	1,589
	48,086	48,624
Expenditure over income	2,363	2,904
Surplus, beginning of the year	5,879	8,783
Surplus, end of the year, Exhibit A	$ 3,516	$ 5,879

THE MANITOBA MILK PRICES REVIEW COMMISSION

Notes to Financial Statements

1. Nature of the Commission

The Milk Prices Review Act was enacted effective September 29, 1980. This Act established The Manitoba Milk Prices Review Commission to monitor prices of fluid milk, to set the price at which milk may be sold by a producer for use as fluid milk and, if necessary, to set maximum and/or minimum prices at which fluid milk may be sold to consumers.

2. Accounting Policies

a) The Commission uses the accrual basis of accounting.

b) Office equipment purchases are charged to operations in the year of acquisition.

3. Services Provided by the Province at No Charge

The Province of Manitoba provides the services of an Executive Secretary, office accommodations and other miscellaneous administrative services at no charge to the Commission.

4. The Manitoba Fluid Milk Commission

The Manitoba Fluid Milk Commission was established effective March 1, 1984 by regulation under the Natural Products Marketing

Act. The Manitoba Fluid Milk Commission may set maximum and/or minimum or fixed prices at which fluid milk may be sold by a distributor or processor. The members of The Manitoba Fluid Milk Commission are also members of The Manitoba Milk Prices Review Commission. Administrative services for The Manitoba Fluid Milk Commission are provided by staff of The Manitoba Milk Prices Review Commission and the Province without charge.

Manitoba Regulation 126/84

Being

ORDER NO. 2/84 OF THE MANITOBA FLUID MILK COMMISSION

Made Pursuant to The Manitoba Fluid Milk Marketing Plan, Being Manitoba Regulation No. 35/84 Enacted Pursuant to The Natural Products Marketing Act to Regulate the Marketing of Fluid Milk in Manitoba

(Filed June 11, 1984)

ORDER

1. In this order:
   a) "Area" means an area designated herein;
   b) "Class I" milk means the following kinds of fluid milk, homogenized milk, 2% milk, skim milk, 2% chocolate milk and buttermilk;
   c) "Commission" means The Manitoba Fluid Milk Commission established pursuant to Manitoba Regulation No. 35/84;
   d) "Jobber" means a person or corporation who buys fluid milk from a manufacturer or processor and sells the fluid milk to retailers and to consumers by home delivery;
   e) "Retailer" means a person or corporation who sells milk to consumers for consumption on the premises where the milk is sold or elsewhere;
   f) "Retail Store" means a store in which fluid milk is offered for sale to consumers for consumption;
   g) Other words have the same meaning as in The Milk Prices Review Act.

2. a) The Commission hereby establishes as the sizes of containers in which Class I milk may be sold by retailers to a consumer the sizes of containers referred to in Schedule I of this order.
   b) Except with the prior written permission of this Commission, no manufacturer or processor shall sell Class I milk to a jobber or retailer, and no retailer shall sell Class I milk to a consumer at retail sale in a container that is not of a size established by subsection (a) of this section, unless the milk is to be consumed on the premises of the retailer.

3. The Commission hereby designates the following areas in Manitoba in which this order applies in accordance with its terms:
   a) The territory comprised by the boundaries of the City of Winnipeg;
   b) The territory comprised by the boundaries of the Town of Selkirk;
   c) The territory comprised by the boundaries of the Town of Winkler;
   d) The area comprised by the boundaries of the City of Brandon;
   e) The area comprised by the boundaries of the Town of Dauphin.

4. Except as herein provided this order applies —
   a) To every kind, grade, quality and quantity of Class I milk in any area except milk that is purchased and used solely for the purpose of manufacturing butter, cheese, or cream.
   b) To every manufacturer, processor, jobber and retailer in any area who produces, supplies, distributes, sells or purchases Class I milk.

5. Every manufacturer, processor or jobber shall —

a) keep a monthly record of all Class I milk sold or disposed of by him in that month except milk sold by home delivery with particulars of each sale, and

b) shall complete and forward to the Commission on or before the 7th day of each month a statement of the total sales of Class I milk, except milk sold by home delivery, made by it in the preceding month, stating the names of the purchasers and the amounts purchased by each purchaser for sale at a retail store and indicating the address of that retail store.

6. The Commission hereby establishes the maximum prices and the minimum prices set out in Schedule I to this order as the maximum prices and minimum prices as therein set out at which Class I milk may be sold in any area by any manufacturer, processor or jobber to retailers, or any other purchaser except a jobber.

7. The Commission hereby establishes as the prices in each area at which Class I milk shall be sold in any month by a manufacturer or processor or a jobber to a retailer who has purchased Class I milk from that manufacturer, processor or jobber in Manitoba in the last preceding month tne following prices:

a) If the total purchases of Class I milk by the retailer in the last preceding month for sale at a retail store are 3000 litres or less — the maximum price set out in Schedule I to this order applicable as therein set out to the kind, quantity and quality of Class I milk purchased for sale at that retail store;

b) If the total purchases of Class I milk by the retailer in the last preceding month for sale at a retail store exceeds 3000 litres the maximum price set out in Schedule II to this order applicable as therein set out to the kind, quantity and quality of Class I milk purchased for sale at that retail store.

8. The Commission hereby establishes the maximum and minimum prices set out in Schedule III to this order as the maximum prices and the minimum prices as therein set out at which a manufacturer or processor may sell Class I milk in any area to any jobber.

9. The Commission hereby establishes the maximum prices and the minimum prices set out in Schedule IV to this order as the maximum prices and the minimum prices as therein set out at which Class I milk may be sold in any area by a retailer.

10. The Commission hereby establishes the amounts set out in Schedule V to this order as the rural transportation differentials applicable to sales of Class I milk for delivery outside any area.

11. The Commission hereby orders the prices established by Sections 6, 7, 8, and 9 of this order shall in respect of sales of Class I milk outside any area, be increased by the relevant rural transportation differential and as increased are hereby established as the prices, the maximum prices or the minimum prices applicable in accordance with the terms of the said sections, to sales of Class I milk made outside any area.

12. This order shall come into force on the 11th day of June, A.D. 1984, or on the day in which it is filed with the Registrar of Regulations whichever is the later.

The Manitoba Fluid Milk Commission Order No. 2 made and passed this 7th day of June, A.D. 1984, at the City of Winnipeg, in the Province of Manitoba, by The Manitoba Fluid Milk Commission.

"G.M. Land"
Wendy Land, Vice-Chairman

(S E A L)

"Adrian Strutinsky"
Adrian Strutinsky, Secretary

This is Exhibit "A" to the Certificate of Wendy Land dated the 7th day of June, A.D. 1984

"G.M. Land"
Vice-Chairman
The Manitoba Fluid Milk Commission

(S E A L)

SCHEDULE I

MAXIMUM AND MINIMUM PRICES

Wholesale prices (manufacturer or processor or jobber) sales in designated areas, subject to adjustment by Rural Transportation Differentials in respect to sales made to retailers situated outside any area

MAXIMUM WHOLESALE PRICES

Container sizes	250 ml	500 ml	1L	2L	4L	20L
Class I milk						
Homogenized milk	.27	.45	.80	1.58	3.10	16.15
2% milk	.27	.44	.78	1.54	3.02	15.75
Skim milk	.25	.42	.73	1.44	2.82	14.75
Chocolate milk 2%	.30	.51	.92	1.82	3.58	18.55
Buttermilk	.28	.48	.85	1.68	3.30	17.15

MINIMUM WHOLESALE PRICES

Homogenized milk	.25	.41	.72	1.42	2.78	14.55
2% milk	.25	.40	.70	1.38	2.70	14.15
Skim milk	.23	.38	.65	1.28	2.50	13.15
Chocolate milk 2%	.28	.47	.84	1.66	3.26	16.95
Buttermilk	.26	.44	.77	1.52	2.98	15.55

SCHEDULE II

(a) If the total purchases in the preceding month by a retailer exceed 3000 litres and are 6000 litres or less

	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.27	.45	.79	1.56	3.06	15.95
2% milk	.26	.44	.77	1.52	2.98	15.55
Skim milk	.25	.41	.72	1.42	2.78	14.55
Chocolate milk 2%	.30	.51	.91	1.80	3.54	18.35
Buttermilk	.28	.47	.84	1.66	3.26	16.95

(b) If the total purchases in the preceding month by a retailer exceed 6000 litres and are 10000 litres or less

Homogenized milk	.27	.44	.78	1.54	3.02	15.75
2% milk	.26	.43	.76	1.50	2.94	15.35
Skim milk	.24	.41	.71	1.40	2.74	14.35
Chocolate milk 2%	.30	.50	.90	1.78	3.50	18.15
Buttermilk	.28	.47	.83	1.64	3.22	16.75

(c) If the total purchases in the preceding month by a retailer exceed 10000 litres and are 14000 litres or less

Homogenized milk	.26	.44	.77	1.52	2.98	15.55
2% milk	.26	.43	.75	1.48	2.90	15.15
Skim milk	.24	.40	.70	1.38	2.70	14.15
Chocolate milk 2%	.29	.50	.89	1.76	3.46	17.95
Buttermilk	.28	.46	.82	1.62	3.18	16.55

(d) If the total purchases in the preceding month by a retailer exceed 14000 litres and are 20000 litres or less

Homogenized milk	.26	.43	.76	1.50	2.94	15.35
2% milk	.26	.42	.74	1.46	2.86	14.95
Skim milk	.24	.40	.69	1.36	2.66	13.95
Chocolate milk 2%	.29	.49	.88	1.74	3.42	17.75
Buttermilk	.27	.46	.81	1.60	3.14	16.35

(e) If the total purchases in the preceding month by a retailer exceed 20000 litres and are 28000 litres or less

	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.26	.43	.75	1.48	2.90	15.15
2% milk	.25	.42	.73	1.44	2.82	14.75
Skim milk	.24	.39	.68	1.34	2.62	13.75
Chocolate milk 2%	.29	.49	.87	1.72	3.38	17.55
Buttermilk	.27	.45	.80	1.58	3.10	16.15

(f) If the total purchases in the preceding month by a retailer exceed 28000 litres and are 40000 litres or less

Homogenized milk	.26	.42	.74	1.46	2.86	14.95
2% milk	.25	.41	.72	1.42	2.78	14.55
Skim milk	.23	.39	.67	1.32	2.58	13.55
Chocolate milk 2%	.29	.48	.86	1.70	3.34	17.35
Buttermilk	.27	.45	.79	1.56	3.06	15.95

(g) If the total purchases in the preceding month by a retailer exceed 40000 litres and are 60000 litres or less

Homogenized milk	.25	.42	.73	1.44	2.82	14.75
2% milk	.25	.41	.71	1.40	2.74	14.35
Skim milk	.23	.38	.66	1.30	2.54	13.35
Chocolate milk 2%	.28	.48	.85	1.68	3.30	17.15
Buttermilk	.27	.44	.78	1.54	3.02	15.75

(h) If the total purchases in the preceding month by a retailer exceed 60000 litres

Homogenized milk	.25	.41	.72	1.42	2.78	14.55
2% milk	.25	.40	.70	1.38	2.70	14.15
Skim milk	.23	.38	.65	1.28	2.50	13.15
Chocolate milk 2%	.28	.47	.84	1.66	3.26	16.95
Buttermilk	.26	.44	.77	1.52	2.98	15.55

SCHEDULE III

Wholesale Prices — Manufacturer or processor to jobber only in designated areas

MAXIMUM WHOLESALE PRICES

	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.27	.45	.80	1.58	3.10	16.15
2% milk	.27	.44	.78	1.54	3.02	15.75
Skim milk	.25	.42	.73	1.44	2.82	14.75
Chocolate milk 2%	.30	.51	.92	1.82	3.58	18.55
Buttermilk	.28	.48	.85	1.68	3.30	17.15

MINIMUM WHOLESALE PRICES

Homogenized milk	.25	.40	.70	1.38	2.70	14.15
2% milk	.24	.39	.68	1.34	2.62	13.15
Skim milk	.22	.37	.63	1.24	2.42	12.75
Chocolate milk 2%	.28	.46	.82	1.62	3.18	16.55
Buttermilk	.26	.43	.74	1.48	2.90	15.15

SCHEDULE IV

Retail Prices — Retailer to consumer only in designated areas subject to adjustment by Rural Transportation Differentials in respect to sales to consumers situated outside any area

MINIMUM RETAIL PRICES

	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.28	.46	.82	1.62	3.18	16.55
2% milk	.27	.45	.80	1.58	3.10	16.15
Skim milk	.25	.43	.75	1.48	2.90	15.15
Chocolate milk 2%	.31	.52	.94	1.86	3.66	18.95
Buttermilk	.29	.49	.87	1.72	3.38	17.55

MAXIMUM RETAIL PRICES

Homogenized milk	.29	.49	.87	1.72	3.38	17.55
2% milk	.28	.48	.85	1.68	3.30	17.15
Skim milk	.27	.45	.80	1.58	3.10	16.15
Chocolate milk 2%	.32	.55	.99	1.96	3.86	19.95
Buttermilk	.30	.51	.92	1.82	3.58	18.55

SCHEDULE V

RURAL TRANSPORTATION DIFFERENTIALS (non-cumulative)

Distance from nearest area	Differential
20 kilometers or less	1 cent
50 kilometers	2 cents
80 kilometers	3 cents
110 kilometers	4 cents
140 kilometers	5 cents
170 kilometers	6 cents
200 kilometers	7 cents
Exceeding 200 kilometers	Such amount as the Commission may approve

Manitoba Regulation 168/84

Being

ORDER NO. 3/84 OF THE MANITOBA MILK PRICES REVIEW COMMISSION

Made Pursuant to The Milk Prices Review Act Establishing the Minimum and Maximum Prices at Which Fluid Milk May be Sold to Consumers in Manitoba

(Filed July 23, 1984)

ORDER

WHEREAS The Manitoba Milk Prices Review Commission has considered the costs referred to in Section 3(6) of the Act and the need to provide consumers with a continuous supply of milk at reasonable prices and has monitored the prices of fluid milk charged by distributors and retailers to consumers in Manitoba and deems those prices to be unreasonable;

NOW THEREFORE The Manitoba Milk Prices Review Commission pursuant to The Milk Prices Review Act hereby makes the following order:

1. In this order:
   (a) "Act" means The Milk Prices Review Act;
   (b) "Area" means an area designated herein;
   (c) "Class I" milk means the following kinds of fluid milk, homogenized milk, 2% milk, skim milk, 2% chocolate milk and buttermilk;
   (d) Other words have the same meaning as in The Act.

2. (a) The Commission hereby establishes as the sizes of containers in which Class I milk may be sold to a consumer the sizes of containers referred to in Schedule I of this order.
   (b) Except with the prior written permission of this Commission, no distributor shall sell Class I milk to a consumer in a container that is not of a size established by subsection (a) of this section, unless the milk is to be consumed on the premises of the distributor.

3. The Commission hereby designates the following areas in Manitoba in which this order applies in accordance with its terms:
   (a) The territory comprised by the boundaries of the City of Winnipeg;
   (b) The territory comprised by the boundaries of the Town of Selkirk;
   (c) The territory comprised by the boundaries of the Town of Winkler;
   (d) The area comprised by the boundaries of the City of Brandon;
   (e) The area comprised by the boundaries of the Town of Dauphin.

4. The Commission hereby establishes the maximum prices and the minimum prices set out in Schedule I to this order as the maximum prices and the minimum prices as therein set out at which Class I milk may be sold in any area by any person to a consumer.

5. The Commission hereby establishes the amounts set out in Schedule II to this order as the rural transportation differentials applicable to sales of Class I milk by any person to a consumer outside any area.

6. The Commission hereby orders the prices established by Section 4 of this order shall in respect of sales of Class I milk outside any area, be increased by the relevant rural transportation differential and as increased are hereby established as the maximum prices and the minimum prices applicable in accordance with the terms of the said Schedule II to sales of Class I milk made to consumers outside any area.

7. Except with the prior written permission of the Commission no distributor shall sell Class I milk to a consumer at a price which is in excess of the applicable maximum price or less than the applicable minimum price established by this order.

8. This order shall come into force on the 23rd day of July, A.D. 1984, or on the day in which it is filed with the Registrar of Regulations whichever is the later.

The Manitoba Milk Prices Review Commision Order No. 3/84 made and passed this 23rd day of July, A.D. 1984, at the City of Winnipeg, in the Province of Manitoba, by The Manitoba Milk Prices Review Commission.

"A. Strutinsky"
Adrian Strutinsky, Acting Chairman

(S E A L)

"Ray Matheson"
Ray Matheson, Secretary

This is Exhibit "A" to the Certificate
of Adrian Strutinsky dated the
23rd day of July, A.D. 1984.

"A. Strutinsky"
Acting Chairman,
The Manitoba Milk Prices
Review Commission

(S E A L)

SCHEDULE I

Retail Prices — To consumer only in designated areas subject to adjustment by Rural Transportation Differentials in respect to sales to consumers situated outside any area

MINIMUM RETAIL PRICES

	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.28	.47	.84	1.66	3.26	16.95
2% milk	.28	.46	.82	1.62	3.18	16.55
Skim milk	.26	.44	.77	1.52	2.98	15.55
Chocolate milk 2%	.31	.53	.96	1.90	3.74	19.35
Buttermilk	.29	.50	.89	1.76	3.46	17.95

MAXIMUM RETAIL PRICES

Homogenized milk	.30	.50	.90	1.78	3.50	18.15
2% milk	.29	.49	.88	1.74	3.42	17.75
Skim milk	.28	.47	.83	1.64	3.22	16.75
Chocolate milk 2%	.33	.56	1.02	2.02	3.98	20.55
Buttermilk	.31	.53	.95	1.88	3.70	19.15

SCHEDULE II

RURAL TRANSPORTATION DIFFERENTIALS (non-cumulative)

Distance from nearest area	Differential
20 kilometers or less	1 cent
50 kilometers	2 cents
80 kilometers	3 cents
110 kilometers	4 cents
140 kilometers	5 cents
170 kilometers	6 cents
200 kilometers	7 cents
Exceeding 200 kilometers	Such amount as the Commission may approve

Manitoba Regulation 34/85

Being

ORDER NO. 2

Made Pursuant to The Milk Prices Review Act Repealing Schedule I of Order No. 3/84 of the Commission (Manitoba Regulation No. 168/84) and Establishing Maximum and Minimum Retail Prices at Which Class I Milk May Be Sold in Any Area in Manitoba to a Consumer

(Filed February 4, 1985)

ORDER

1. The Commission hereby repeals Schedule I to Order No. 3/84 being Manitoba Regulation No. 168/84 and substitutes therefor Schedule I to this order.

2. This order shall come into force on the 4th day of February, 1985, or on the day it is filed with the Registrar of Regulations whichever is the later.

The Manitoba Milk Prices Review Commission Order No. 2/85 made and passed this 4th day of February, A.D. 1985, at the City of Winnipeg, in Manitoba, by the Manitoba Milk Prices Review Commission.

THE MANITOBA MILK PRICES
REVIEW COMMISSION

per *"Paul Phillips"*
Paul Phillips, Chairman

(S E A L)

per *"A. Strutinsky"*
Adrian Strutinsky, Secretary

This is Exhibit "A" to the
Certificate of Paul Phillips
dated the 4th day of February,
A.D. 1985.

"Paul Phillips"
Chairman,
The Manitoba Milk Prices
Review Commission.

(S E A L)

SCHEDULE I

MINIMUM RETAIL PRICES

	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.28	.48	.86	1.70	3.34	17.35
2% milk	.28	.47	.84	1.66	3.26	16.95
Skim milk	.27	.44	.79	1.56	3.06	15.95
Chocolate milk 2%	.31	.54	.98	1.94	3.82	19.75
Buttermilk	.30	.50	.91	1.80	3.54	18.35

MAXIMUM RETAIL PRICES

Homogenized milk	.30	.51	.92	1.82	3.58	18.55
2% milk	.29	.50	.90	1.78	3.50	18.15
Skim milk	.28	.47	.85	1.68	3.30	17.15
Chocolate milk 2%	.33	.57	1.04	2.06	4.06	20.95
Buttermilk	.31	.53	.97	1.92	3.78	19.55

Manitoba Regulation 45/85

Made Pursuant to The Manitoba Milk Prices Review Act Amending Manitoba Regulation No. 26/84 and 33/85 Being Respectively Manitoba Milk Prices Review Commission Order No. 1/84 and Order No. 1/85 as hereinafter set out.

(Filed February 22, 1985)

ORDER

1. The Milk Prices Review Commission, pursuant to The Milk Prices Review Act, hereby makes the following orders.

(1) Section 3 of Manitoba Regulation No. 26/84 being Order No. 1/84 of the Commission is hereby amended by revoking the figure $51.00 which appears therein and substituting therefor the figure $53.00.

(2) Schedule I of Manitoba Regulation No. 26/84 as enacted and substituted by Manitoba Regulation No. 33/85 being Order No. 1/85 of the Commission is hereby repealed and Schedule I to this Order as hereinafter set out is substituted therefor:

SCHEDULE I

Formula 1/85

January 1985, costs per hectolitre

Operating expenses	$ 6.98
Feed	17.34
Direct labour	10.15
Management fee	4.06
Herd replacement	2.67
Depreciation	3.09
Return on assets	5.59
	$49.88

Step 1 — cost of production formula results
$49.88

Step 2 — add transportation and other marketing costs
$49.88 + $2.02 = $51.90

Step 3 — add buffer (or 10% sleeve) adjustment
$51.90 + $.74 = $52.63

Step 4 — add differential for Northern cost of production
$52.63 + $.07 = $52.70

Step 5 — add fluid levy
$52.70 + $.30 = $53.00

Note: All calculations made exceeding significant digits, totals then rounded to two decimal places which may lead to minor discrepancies in sub-totals reported (Step 3).

2. This order shall come into force on the day it is filed with the Registrar of Regulations.

The Manitoba Milk Prices Review Commission Order No. 3/85 made and passed this 21st day of February, A.D. 1985, at the City of Winnipeg, in the Province of Manitoba, by the Manitoba Milk Prices Review Commission.

THE MANITOBA MILK PRICES
REVIEW COMMISSION

per *"Paul Phillips"*
Paul Phillips, Chairman

(S E A L)

per *"A. Strutinsky"*
Adrian Strutinsky, Secretary

This is Exhibit "A" to the
Certificate of Paul Phillips
dated the 21st day of February,
A.D. 1985.

"Paul Phillips"
Chairman,
The Manitoba Milk Prices
Review Commission.

(S E A L)